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SUBJECT: PROPOSED PAKISTAN PROGRAM EVALUATION

REF: ISLAMABAD 04689

1. I AM PLEASED TO HAVE AN OPPORTUNITY TO CONTRIBUTE TO THE SUBJECT EVALUATION, EVEN THOUGH I HAVE NO DOCUMENTS AT HAND TO BOLSTER MY MEMORY OF SOME RATHER HECTIC DAYS. THE FOLLOWING RESPONSES ARE KEYED TO THE LETTERS A THROUGH H AS REQUESTED REFTEL.

A. BACKGROUND AND NATURE OF U.S. ASSISTANCE TO PAKISTAN PRIOR TO 1982: EVEN THOUGH PAKISTAN RANPED

VERY HIGH ON THE LIST OF LONG-TERM AID RECIPIENTS AS OF 1982 WHEN I ARRIVED IN THE COUNTRY. THERE WERE CONSPICUOUSLY HIGH LOW POINTS IN THE HISTORY OF OUR ASSISTANCE RELATIONSHIP. GENERALLY SPEAKING, THE HIGH POINTS COINCIDED WITH PAKISTAN'S POSITIVE RESPONSES TO U.S. DEFENSE NEEDS AND THE LOW POINTS COINCIDED WITH THE ROUGH SPOTS IN INDO-PAKISTANI RELATIONSHIPS AND OTHER DRAMATIC EVENTS SUCH AS THE SYMINGTON AMENDMENT AND THE BURNING OF THE EMBASSY. IT IS WORTH NOTING HOWEVER, THAT BETWEEN ABOUT 1954 AND 1982 PAKISTAN RECEIVED SOME KIND OF ASSISTANCE FROM THE U.S. EVERY YEAR. FOR EXAMPLE, IN 1984 OR 1985 WE CELEBRATED THE 30TH ANNIVERSARY OF PL-480 PROGRAM AND NOTED THAT IN THREE DECADES THERE HAD NEVER BEEN A YEAR IN WHICH PL-480 HAD NOT OPERATED IN PAKISTAN. THE RECORD WOULD PROBABLY SHOW THAT DURING THAT TIME OTHER DEVELOPMENT PROGRAMS DISBURSED FINANCIAL RESOURCES TO THE GOVERNMENT OF PAKISTAN EVERY YEAR AS WELL, DESPITE SO-CALLED CUT-OFFS.

NEVERTHELESS, AS I UNDERSTAND IT, BY 1980 THE MISSION WAS WELL ON ITS WAY TO BEING CLOSED. AT THE TIME OF THE BURNING OF THE EMBASSY IN AUGUST OF 1979 THE MISSION WAS DOWN TO JUST A HANDFUL OF ESSENTIAL STAFF

AND IN FACT THE A.I.D. BUILDING WAS PARTIALLY OCCUPIED BY UNDP PERSONNEL (WHICH PROBABLY SAVE IT FROM THE SAME FATE AS THE EMBASSY).

B. ORIGINS OF THE FY 1982 - 1987 PROGRAM: I THINK IT IS FAIRLY WELL ACCEPTED THAT THE 1982 TO 1987 PROGRAM FOR PAKISTAN WOULD NOT HAVE COME INTO BEING WITHOUT THE SOVIET INVASION OF AFGHANISTAN. FROM THE TIME OF THE FAMOUS QUOTE PEANUTS UNQUOTE RESPONSE FROM PRESIDENT ZIA TO THE CARTER ADMINISTRATION IN 1979 THROUGH THE OPENING OF THE SUCCESSFUL NEGOTIATIONS IN 1981, I SPECULATE THAT THE TWO SIDES MOVED CLOSER TOGETHER BY FORCE OF THE IMPACT OF THE INVASION. THAT IS, THE PAKISTANIS WERE SUFFERING SIGNIFICANT FINANCIAL AND SOCIAL HARDSHIP FROM THE PRESENCE OF INCREASING NUMBERS OF REFUGEES AND FACED AN INCREASING LEVEL OF THREAT TO ITS INTERNAL SECURITY FROM THE PRESENCE OF THE REFUGEES AND THE VIRTUAL IMPOSSIBILITY OF SEPARATING FRIENDLY FROM UNFRIENDLY AFGHANS INSIDE PAKISTAN'S BORDER. THE SERIOUSNESS OF THE SOVIET MILITARY PRESENCE IN AFGHANISTAN ALSO HAD SUNT MORE DEEPLY INTO THE CONSCIOUSNESS OF PAKISTANI POLICY MAKERS BY 1981. IT SEEMS TO ME THAT PROBABLY THE SERIOUSNESS OF THE SOVIET PRESENCE IN AFGHANISTAN WAS ALSO MORE APPARENT ON THE U.S. SIDE BY THE TIME OF THE 1981 NEGOTIATIONS. THE

RESULT WAS THAT EVEN THOUGH THE ANNUAL AMOUNTS OFFERED BY THE REAGAN ADMINISTRATION, AMOUNTS NOT MUCH HIGHER THAN THE ONE (PRESUMABLY ANNUAL) AMOUNT OFFERED BY THE CARTER ADMINISTRATION, BOTH SIDES WERE MORE AWARE OF THE NEED TO GET ON WITH STIFFENING RESISTANCE INSIDE PAKISTAN AND NEGOTIATIONS BORE FRUIT. IT MAY ALSO BE TRUE THAT THE PACAGING OF 3.2 BILLION DOLLARS OVER SIX YEARS WAS THE DECISIVE FACTOR. BUT I SPECULATE THAT HAD THE PAKISTANIS SO CHOSEN, THEY COULD HAVE ARRIVED AT SOMETHING LIKE THAT THROUGH NEGOTIATIONS IN 1979. IN THIS CONNECTION, IT IS USEFUL TO REMEMBER THAT BASICALLY PAKISTAN HAS ALWAYS SOUGHT, AS A CENTRAL FEATURE OF ITS FOREIGN POLICY, A CLOSE RELATIONSHIP WITH THE U.S., REFLECTED IN RELATIVELY HIGH LEVELS OF MILITARY AND ECONOMIC ASSISTANCE. IT IS FAIRLY CLEAR FROM THE VERY BEGINNING OF THE COUNTRY IN 1947 AND 1948 THAT THE PAKISTANIS SOUGHT A RELATIONSHIP WITH THE U.S. TO COUNTER-BALANCE THE WEIGHT OF INDIA ON THE SUB CONTINENT AS TIME WENT ON, PAKISTAN SAW ITS RELATIONSHIP WITH THE U.S. BALANCING INDIA'S RELATIONSHIP WITH THE SOVIETS AS WELL. THE U.S. GOVERNMENT ATTITUDE TOWARDS THE RELATIONSHIP WITH PAKISTAN HAS RUN HOT AND COLD DEPENDING UPON PAKISTAN'S BEHAVIOR TOWARDS INDIA AND OUR PERCEPTIONS OF THE GEO-POLITICAL SITUATION IN THE SUB CONTINENT, THE FAR

EAST AND THE GULF. SEEN IN THIS CONTEXT IT WAS PROBABLY WITH SOME RELIEF THAT PAKISTAN SAW A RE-AWAKENING OF OUR WILLINGNESS TO PROVIDE ASSISTANCE FOR A SIGNIFICANT PERIOD. AND WE WERE HAPPY TO FIND A WAY TO PACKAGE OUR OFFER OF ASSISTANCE OFFER ACCEPTABLY. SINCE I WAS NOT PIVY TO ANY OF THIS, ALL OF THE FOREGOING IS SPECULATION. A STRAIGHT-FORWARD RESPONSE TO THE INFORMATION REQUESTED IN THIS PARAGRAPH IS THAT ASSISTANCE PROVIDED DURING THE 1978 TO 1982 PERIOD WAS DE MINIMUS, A HOLDING ACTION.

IT IS PROBABLY TRUE ALSO THAT THE U.S.-INDIA RELATIONSHIP WAS TAKEN INTO ACCOUNT AS THE ASSISTANCE PROGRAM WAS STRUCTURED IN THE NEGOTIATIONS. AT LEAST IT IS TRUE THAT CONCERN FOR THAT RELATIONSHIP WAS MENTIONED FROM TIME TO TIME AS THE PROGRAM UNFOLDED, EVEN THOUGH IT HAD VERY LITTLE INFLUENCE ON THE EXECUTION OF THE PROGRAM OR, FOR THAT MATTER, THE SIZE AND COMPOSITION OF THE PROGRAM, WHICH I ALWAYS ASSUME WERE FUNCTIONS OF HOW MUCH THE U.S. COULD AFFORD AND WHAT IT COULD OBTAIN WITH THE RESOURCES AVAILABLE.

THE SUBSEQUENT USAID PROGRAMS GROWING OUT OF THE NEGOTIATIONS WERE DESCRIBED IN A HALF PAGE DOUBLE SPACED DRAFT WITH PEN CORRECTIONS, WHICH WAS NEVER PUT

IN FINAL NOR INITIALED NOR SIGNED. AN ATTACHMENT TO THIS INFORMAL NOTE LISTED A NUMBER OF PROJECTS AND PROGRAMS AND NATIONAL FIGURES FOR EACH YEAR OF THE PROGRAM FROM 1980 THROUGH TO 1987. IN MY OPINION, THE OVERALL PROGRAM RELATED VERY CLOSELY TO THE PAKISTANI FIVE-YEAR PLAN, BUT THEN ALMOST ANY PROGRAM COULD HAVE. THERE WAS SOMETHING IN THE PLAN FOR EVERYONE AND, AS OUR PROGRAM WAS NEGOTIATED OUT, IT SEEMED TO ME THAT THE GOP ATTEMPTED TO GIVE A PIECE OF THE ACTION TO AS MANY MINISTRIES AS POSSIBLE. THE ORIGINAL INTENTION, AS STATED IN THE INFORMAL DRAFT PAPER, WAS TO HAVE PROJECTS IN RURAL ELECTRIFICATION, RURAL ROADS, HEALTH, POPULATION, HUMAN RESOURCE DEVELOPMENT, ETC., IF MY MEMORY SERVES ME CORRECTLY, AREA DEVELOPMENT IN BULUCHISTAN AND THE NWFP WERE ALSO ON THE LIST. THERE WERE ALSO PL-480 AND A CIP FOR BALANCE OF PAYMENTS SUPPORT. OTHER MAJOR DONOR PROGRAMS GENERALLY SUPPORTED THESE SAME AREAS. THE WORLD BANK WAS ENGAGED WITH US IN IRRIGATION PROGRAMS. THE ASIAN DEVELOPMENT BANK WAS WITH US IN THE ENERGY PROGRAM THANKS TO CHARLEY MOSLEY. SO WERE THE JAPANESE. THE WORLD BANK WAS INVOLVED IN THE DEVELOPMENT OF AGRICULTURAL RESEARCH PROGRAMS AND IN THE TRAINING AND VISITATION PROGRAM, EXCLUSIVELY THEIR OWN. THE JAPANESE EQUIPMENT DROPS WERE HELPFUL IN

BULUCHISTAN, ALTHOUGH WE WERE NEVER ABLE TO GET THE JAPANESE TO REALLY COOPERATE WITH US ON THE PESHAWAR UNIVERSITY PROJECT. THE ASIAN DEVELOPMENT BANK PROGRAMS IN RURAL ROADS TENDED TO GET IN THE WAY OF OURS BECAUSE THE BANK DID NOT SEEK ANY INSTITUTIONAL OR POLICY CHANGES. I THINK THE MOST IMPORTANT THING ABOUT OTHER DONOR ACTIVITY WAS THAT IN FINANCIAL TERMS, IT ROSE TO THE CHALLENGE AND TENDED TO SUPPORT THE U.S. INITIATIVE BY PROVIDING LARGE AMOUNTS OF FINANCIAL SUPPORT TO PAKISTAN, THEREBY HELPING IT TO BEAR THE BURDEN OF OPPOSITION TO THE SOVIET PRESENCE IN AFGHANISTAN. I WOULD UNDERSCORE HERE THAT I THINK THE SIXTH FIVE-YEAR PLAN, WHILE SERVING AS A SOURCE OF CONVENIENT REFERENCES IN PROJECT PAPERS AND OTHER PROGRAM DOCUMENTS WAS ALMOST TOTALLY IRRELEVANT TO THE SITUATION IN PAKISTAN AT THE TIME. IN FACT NO PAKISTANI FIVE-YEAR PLAN I KNOW OF EVER MET ITS TARGET. IN MY VIEW THE GOP WOULD BE SERVED BETTER BY MAKING THE PLAN A STRAIGHT-FORWARD STATEMENT OF POLICY RATHER THAN A DETAILED, UNFEASIBLE PLAN.

C DESIGN, IMPLEMENTATION AND IMPACT OF ACTIVITIES UNDERTAKEN: ONE OF THE MOST STRIKING FEATURES OF THE 1982 TO 1987 PROGRAM AS SOME OF US SAW IT WAS THE PAKISTANI WILLINGNESS TO ACCEPT A I.D. DEVELOPMENT

PROCESSES AND PHILOSOPHIES AS PART OF THE ORDINARY WAY OF DOING BUSINESS. AT A VERY HIGH WORKING LEVEL IN THE GOP, OFFICIALS WERE AWARE OF THE KIND OF ENABLING AND DISABLING LEGISLATION A.I.D. HAS TO WORK WITH AND THEY REALIZED THAT THE GENTLEMEN'S AGREEMENT THAT CAME OUT OF THE NEGOTIATIONS CONDITIONED BY AID'S LEGISLATION AND BUREAUCRACY AS A RESULT, THEY ACCEPTED SLOW DISBURSING DEVELOPMENT PROJECTS, MANY OF WHICH COULD HAVE MET ALL THE CRITERIA OF DEVELOPMENT ASSISTANCE PROJECTS, IN MY VIEW A NOT ALTOGETHER HEALTHY SITUATION BECAUSE OF THE SLOW DISBURSING, LOW-IMPACT NATURE OF MANY SUCH PROJECTS.

1. AGRICULTURE AND RURAL DEVELOPMENT: ACTIVITIES IN THIS AREA WERE BASICALLY IN THE AREAS OF RESEARCH SYSTEMS DEVELOPMENT, IRRIGATIONS SYSTEMS MANAGEMENT AND THE DEVELOPMENT OF THE AGRICULTURAL UNIVERSITY AT PESHAWAR. MUCH OF THE CIP EQUIPMENT WENT TO THE IRRIGATION SYSTEMS AND I BELIEVE MOST OF THE PROJECT FUNDING WENT TO THE IRRIGATION SYSTEMS AS WELL. THE PROJECT PAPERS RELATED TO IRRIGATION, SPOKE OF INSTITUTION BUILDING, TECHNOLOGY TRANSFER, AND POLICY DIALOGUE, BUT NOT VERY MUCH ABOUT PRIVATE SECTOR MOBILIZATION, GIVEN THE NATURE OF THE UNDERTAKINGS AND THE IMPLEMENTING INSTITUTIONS. THESE PROGRAMS DEALT

WITH PAKISTAN'S MOST VITAL ECONOMIC ASSET, ITS GIGANTIC IRRIGATION SYSTEMS. THE PROGRAMS WERE PERHAPS MOST SUCCESSFUL IN TECHNOLOGY TRANSFER AND PERHAPS ALSO TO SOME EXTENT IN INSTITUTION BUILDING. THE PROVISION OF NEW EQUIPMENT CERTAINLY STRENGTHENED THE IRRIGATION DEPARTMENTS OF THE VARIOUS PROVINCES. TRAINING IN THE USE OF THIS EQUIPMENT AND TRAINING ABROAD IN GENERAL ALSO HELPED DEVELOP CAPACITY TO DEAL WITH THE EMERGING TECHNICAL PROBLEMS IN IRRIGATION IN PAKISTAN. HOWEVER, THE PROJECTS FUNCTIONED WITHIN THE CONTEXT OF THE PROVINCIAL GOVERNMENT CONTROL OF THE IRRIGATION SYSTEMS AND THE PAROCHIAL APPROACH TO PROVISION OF SERVICES RELATED TO IRRIGATION WHICH, SINCE THE CONSTRUCTION OF THE SYSTEMS IN THE 19TH CENTURY, HAVE BEEN PROVIDED FREE OF CHARGE BY THE IRRIGATION DEPARTMENTS. AS I RECALL, THE MAJOR POLICY ISSUE WAS THE IMPOSITION OF WATER USER CHARGES IN ORDER TO TRY TO RATIONALIZE WATER DISTRIBUTION AND TO MAKE THE IRRIGATION DEPARTMENTS THEMSELVES SOMEWHAT MORE SELF-SUSTAINING. CERTAINLY WE AND THE WORLD BANK HAD A RIGHT TO PUT THESE MEASURES FORWARD. EACH OF US BY 1984 HAD INVESTED ABOUT DOLS 1 BILLION IN THE IRRIGATION SYSTEMS IN PAKISTAN AND, AT THAT TIME, IT SEEMED AS IF OUR ACTIVITIES AT THE END OF THE DAY WOULD PROVIDE JUST ANOTHER DOLLOP OF EQUIPMENT AND TECHNICAL ASSISTANCE WITHOUT DEALING WITH

THE CORE OF THE PROBLEM. INEVITABLY, OF COURSE, THE STRONGEST RESISTANCE CAME FROM IN THE PUNJAB WHERE THE SYSTEM IS BIGGEST AND MOST IMPORTANT. THERE WERE SIGNIFICANT PROBLEMS WITH THE WORLD BANK WHICH WAS CO-FINANCING OF PARALLEL FINANCING ACTIVITIES SIMILAR TO OURS. RIGHTLY OR WRONGLY, WE FELT THAT THE BANK WAS NOT BEING DEMANDING ENOUGH IN TERMS OF TRYING TO EFFECT INSTITUTIONAL CHANGE AND WITH RESPECT TO INSPECTION OF WORKS.

AS I SAID EARLIER, PROJECTS RELATED TO IRRIGATION WERE AT THE HEART OF PAKISTAN'S ECONOMY AND WERE VITAL TO ITS SECURITY. REGARDLESS OF WHO PAID THE BILL, I THINK IT IS FAIRLY CLEAR THAT INVESTMENTS IN IRRIGATION WORKS FED BY THE INDUS RIVER ARE ECONOMICALLY VIABLE. BY THE TIME I LEFT PAKISTAN IN 1986, WE HAD NOT BEEN VERY SUCCESSFUL IN GETTING THE GOVERNMENTS OF THE PROVINCES TO DEAL WITH THE RECURRENT COST ISSUES IN AN EFFECTIVE WAY. WE WERE STILL STRUGGLING TO FIND THE FORMULA TO DEAL WITH THE IRRIGATION DEPARTMENT OF THE PUNJAB PARTICULARLY. AND OF COURSE THE RECURRENT COST ISSUE IS VERY CLOSELY RELATED TO THE EQUITY ISSUE.

BASICALLY, ALTHOUGH PROBABLY TOO GENERALLY, THE PROBLEM WAS THAT THE RICHER FARMERS AT THE HEAD WATERS USED TOO MUCH WHILE THE POORER FARMERS AT THE TAIL GOT NOT

ENOUGH. THE PHYSICAL WORKS WHICH PROVIDED FOR BETTER FLOWS THROUGH THE CANALS, REDUCING THE LOSS OF WATER THROUGH PERCOLATION AND GENERALLY ENHANCING THE EFFICIENCY OF DELIVERY SYSTEMS CERTAINLY BENEFITED POOR FARMERS TO A RELATIVELY GREATER EXTENT THAN RICHER FARMERS. WHETHER THESE BENEFITS ARE SUSTAINABLE OVER TIME, WOULD DEPEND ON WHETHER REAL INSTITUTIONAL CHANGES COULD BE EFFECTED AND WHETHER RECURRENT COSTS COULD BE RECOVERED OR AT LEAST PARTIALLY RECOVERED FROM USERS. THESE WERE QUESTIONS THAT WERE NOT ANSWERED BY THE TIME I LEFT PAKISTAN. I LEFT WITH THE FEELING, AND THIS IS ONLY A FEELING, THAT PROGRESS IN THOSE AREAS WOULD BE MINIMAL IN THE NEAR TO MEDIUM TERM. PERHAPS I WAS TOO CYNICAL AS I LEFT, BUT I HAD CONCLUDED BY THAT TIME THAT UNLESS THE MAJOR DONORS STOPPED TRYING TO HELP THE IRRIGATION DEPARTMENTS, PARTICULARLY IN THE PUNJAB. THEY WOULD NEVER REALLY HAVE AN INCENTIVE TO CHANGE.

ANOTHER PARTICULARLY DIFFICULT TASK THAT WAS UNDERTAKEN DURING THE 1982 TO 1987 PROGRAM WAS THE RATIONALIZATION OF THE AGRICULTURAL RESEARCH SYSTEM. WE WERE QUITE VISIBLY AND REMARKABLY SUCCESSFUL, I THINK, IN DEVELOPING THE NATIONAL AGRICULTURAL RESEARCH CENTER AND THE RESEARCH COUNCIL UNDER STRONG LEADERSHIP BUT

AMIR MOHAMMED FACED A DIFFICULT PROBLEM IN GETTING CONTROL OVER THE PROVINCIAL RESEARCH RESOURCES. THAT WAS THE KEY TO INSTITUTIONAL CHANGE AND TO CHANGING THE BEHAVIOR OF PROVINCIAL AGRICULTURAL RESEARCH SYSTEMS. THE MOST EXCITING AND MOST PROMISING PROJECT IN THIS AREA SEEMED TO ME TO BE THE PESHAWAR UNIVERSITY PROJECT. INCIDENTALLY, IT WAS THE PROJECT WE HAD MOST DIFFICULTY SELLING TO WASHINGTON BECAUSE IT DEALT WITH LONG-TERM DEVELOPMENT OF AN AGRICULTURAL UNIVERSITY AND THE AMALGAMATION OF THE UNIVERSITY WITH THE RESEARCH SYSTEM. IT PROVIDED A MODEL THAT WAS OF SOME INTEREST TO THE UNIVERSITIES AND RESEARCH SYSTEMS IN OTHER PROVINCES. PESHAWAR WAS THE HOME OF THE PROJECT BECAUSE THE NWFP GOVERNMENT WAS MORE WILLING TO GO FURTHER TOWARD INSTITUTIONAL REFORM THAN ANY OTHER PROVINCIAL GOVERNMENT. UP UNTIL THE TIME I LEFT PAKISTAN, IT SEEM TO ME THAT THE GOVERNMENT OF THE NWFP WAS ABIDING BY THE COMMITMENTS IT HAD MADE IN THE DEVELOPMENT OF THE PROJECT AND THAT THE CHANGES AT THE UNIVERSITY AND IN THE RESEARCH SYSTEM WOULD BE REAL AND ABIDING IF WE COULD SUSTAIN OUR EFFORT. IT SEEMED TO ME THAT IF THE UNIVERSITY AT PESHAWAR COULD SUSTAIN PRODUCTION OF QUALITY CANDIDATES FOR THE RESEARCH AND EXTENSION SYSTEM AS WELL AS BETTER EDUCATED FARMERS, THAT THERE WOULD BE GENERALIZED BENEFITS FOR ALL OF THE

POPULATION, INCLUDING LOW INCOME GROUPS.

AS I RECALL, NEITHER THE NATIONAL NOR PROVINCIAL GOVERNMENTS MADE VERY MUCH PROGRESS TOWARD MEETING THEIR COMMITMENTS UNDER THE FORESTRY PROGRAM WHILE I WAS IN PAKISTAN. SIMPLY AND PROBABLY INACCURATELY STATED, THE FORESTRY PROJECT ATTEMPTED TO BUILD UP AGRO FORESTRY COMPONENTS WITHIN THE PROVINCIAL FORESTRY SERVICES. I THINK IN A TECHNICAL AND ECONOMIC SENSE THE PROJECT WAS THEORETICALLY FEASIBLE. IT COULD HAVE BENEFITED PARTICULARLY LOW INCOME GROUPS. BUT IMPLEMENTATION WAS SLOW BECAUSE THERE IS NOT MUCH MONEY IN SOCIAL OR AGRO FORESTRY, WHEREAS CONVENTIONAL FORESTRY IS LUCRATIVE FOR THE FORESTERS. NOT MANY OF THE CP'S WERE MET ON TIME AND VERY LITTLE PROGRESS WAS MADE BEYOND THE FIELDING OF A TECHNICAL ASSISTANCE TEAM BY THE TIME I LEFT PAKISTAN. IT SEEMED TO ME THAT WE WERE UP AGAINST A THOROUGHLY VENAL AND INDIFFERENT FORESTRY SERVICE AND I DID NOT HOLD OUT MUCH HOPE FOR THE SUCCESS OF THE PROJECT. I HOPE I WAS WRONG.

2. HEALTH AND POPULATION- IN THE 1982 TO 1987 PERIOD WE WERE IN HEALTH AND POPULATION PROBABLY BECAUSE WE HAVE ALWAYS BEEN IN HEALTH AND POPULATION IN PAKISTAN. THE PROGRAMS RESEMBLE OUR STANDARD DEVELOPMENT

ASSISTANCE POPULATION AND HEALTH PROGRAMS WORLD-WIDE.

I REMEMBER VISITING HEALTH CLINICS IN THE FIELD IN PAKISTAN THAT HAVE BEEN BUILT BY ICA IN 1961.

TWENTY-FIVE YEARS LATER WE ARE STILL TRAINING PEOPLE TO MAN AND MANAGE THESE INSTALLATIONS. IN 1978, WE DEVELOPED A CURRICULUM FOR PUBLIC HEALTH WORKERS. IN 1985 WE WERE BUSY REWRITING THE HEALTH CURPICULUM FOR PUBLIC HEALTH WORKERS. MOREOVER, WE WERE SQUABLING WITH OURSELVES AND WITH THE PAKISTANIS ABOUT IT. I HELD THE MINORITY OPINION THAT SUCH PROGRAMS PROBABLY DID NOT BELONG IN OUR PORTFOLIO. WE PRESSED ON MAINLY FOR THE REASON THAT WE HAD MADE A COMMITMENT IN THIS AREA IN 1981 AND WE WOULD TRY TO MEET OUR COMMITMENTS. AT THE MANAGEMENT LEVEL WE DID HAVE SOME EXCITING CONVERSATIONS WITH MABUB UL HAQ ABOUT POSSIBLE PRIVATIZATION STEPS IN THE HEALTH AREA. WE HAD GOOD INDICATIONS THAT HEALTH STAFF IN THE CLINICS MIGHT BE WILLING TO BUY AND MANAGE THESE INSTALLATIONS AS FOR-PROFIT HEALTH PROVIDERS, WHICH WOULD PROBABLY HAVE FORMALIZED THE DE FACTO SITUATION. IT WAS COMMONLY BELIEVED AND PROBABLY TRUE THAT THEY WORKED HARDER AFTER THE CLINICS CLOSED THAN WHILE THEY WERE OPEN. BUT I THINK PROBABLY TO THIS DAY THE GOVERNMENT BASED HEALTH ESTABLISHMENT IS STRONG ENOUGH TO RESIST SUCH

APPROACHES. HEALTH IN PAKISTAN IS ANOTHER FIELD THAT WOULD BENEFIT FROM THE ABSENCE OF DONOR INTEREST.

I WAS REALLY PLEASED WITH THE PROGRESS MADE IN SOCIAL MARKETING OF CONTRACEPTIVES, ALTHOUGH THE SYSTEM WE PUT IN PLACE WAS NOT REALLY FUNCTIONING BY THE TIME I LEFT. I HAD THE FEELING THAT REAL PROGRESS WAS BEING MADE AND THAT SUCCESS WAS POSSIBLE, OR EVEN LIKELY. DR. MABUB UL HAQ WAS VERY HELPFUL IN BRINGING THIS SUCCESS ABOUT EVEN THOUGH IT TOOK A LOT LONGER THAN WE HAD HOPED.

3. ENERGY AND ENVIRONMENT: I THINK WE DID OUR BEST WORK IN THE ENERGY SECTOR BECAUSE OUR ENERGY OFFICE AND ITS STATELITE CONTRACTORS LITERALLY BECAME PART OF THE ENERGY ESTABLISHMENT IN PAKISTAN. WE DELIVERED MUCH-NEEDED HIGH QUALITY GOODS AND SERVICES, DESIGNS, EQUIPMENT AND POLICY ADVICE. I THINK THIS COMBINATION BEGAN AN INSTITUTIONAL TRANSFORMATION OF WAPDA. AND IT CERTAINLY BEGAN A TECHNOLOGY TRANSFER THAT WILL IMPROVE WAPDA OPERATIONS FOR YEARS TO COME. MOST IMPORTANTLY, IT BEGAN SERIOUS THINKING ABOUT PRIVATIZATION AND PRIVATE SECTOR MOBILIZATION IN THE ENERGY GENERATION AND DISTRIBUTION AREA. BY THE TIME I LEFT PAKISTAN IN AUGUST OF 1986, WAPDA WAS SERIOUSLY CONSIDERING AND HAD

ACCEPTED THE IDEA OF PRIVATE SECTOR GENERATION OF ENERGY AND I BELIEVE WAS WELL ON THE WAY TO SEGMENTING THE DISTRIBUTION SYSTEM SO AS TO ACCOMMODATE THE PRIVATE SECTOR IN THAT AREA AS WELL. WHATEVER IS THE FUTURE OF ORGANIZATION AND OWNERSHIP, MUCH PROGRESS WAS BEING MADE TOWARDS INCREASING THE SUSTAINABILITY OF THE SYSTEM BY REDUCING LOSSES AND BEGINNING AN ORDERLY COLLECTION EFFORT. IN MY VIEW, ALTHOUGH SOMEONE PAYING HIS ELECTRIC BILL TO WAPDA MIGHT DISAGREE WITH ME, THE BENEFITS OF THIS EFFORT HIT BROAD SEGMENT OF PAKISTAN SOCIETY - URBAN AND RURAL.

THE NOW FAMOUS LAKHRA PROJECT, WAS THE FIRST PROJECT I HEARD ABOUT IN PAKISTAN. I CAN REMEMBER DISCUSSING THE PROS AND CONS OF COAL FIRED POWER PLANTS USING INDIGENOUS COAL IN ROCKY STAPLES' OFFICE IN WASHINGTON IN DECEMBER OF 1982. IT SEEMS LIKE A GOOD IDEA AT THE TIME, BUT I DON'T THINK ANY OF US REALIZED HOW LITTLE INFORMATION WE REALLY HAD ON THE COAL FIELD DESPITE DECADES OF STUDY AND MORE THAN A CENTURY OF COAL MINING IN THAT REGION. NOR DID ANY OF US REALIZE HOW MANY VIEWS OF REALITY THERE COULD BE ON A GIVEN SUBJECT. THE HIDING HAND WAS AT WORK AS WELL PREVENTING OUR SEEING HOW WAPDA'S OPERATING PHILOSOPHY MIGHT CHANGE TO ENABLE DIFFERENT OWNERSHIP AND MANAGEMENT APPROACHES TO

THE PROJECT. LOOKING BACK ON OUR EAGERNESS TO GET ON WITH THE JOB AT THE MISSION, IT SEEMS TO ME WE SPENT A LOT OF MONEY DOING WORK THAT MIGHT WELL HAVE BEEN DONE BY PROSPECTIVE OWNERS AND OPERATORS OF PLANTS IN THE LAKHRA AREA. I HAVE NOT BEEN APPRAISED OF HOW THE LAKHRA IS GOING OR WHETHER IT EVEN EXISTS IN THE FACE OF UNFORESEEN LOW WORLD OIL PRICES AND CONTINUING DISCOVERIES OF OIL IN PAKISTAN. NEVERTHELESS, I THINK THE PROGRAM DID A GREAT DEAL TO ADVANCE THE POLICY DIALOGUE, PARTICULARLY WITH RESPECT TO PRIVATIZATION OF POWER GENERATION FACILITIES IN PAKISTAN.

4. AREA DEVELOPMENT WAS THE MOST PROBLEMATIC OF ALL OF THE MISSION'S PROGRAMS BECAUSE, WITH HINDSIGHT, IT SEEMS THAT THE AREA DEVELOPMENT PROJECTS UNDERTOOK TO DO A LOT OF THINGS THAT JUST COULDN'T BE DONE. THEY WERE DESIGNED TO OPERATE IN AREAS THAT WERE DISTINCTLY LESS THAN SUSCEPTIBLE TO DEVELOPMENT INTERVENTIONS. ENVIRONMENT, WEATHER, GEOGRAPHY, POLITICS AND CULTURE, ALL MILITATED AGAINST THE RATE OF PROGRESS THAT MOST OF US WOULD FIND ACCEPTABLE. ALL OF THE AREA DEVELOPMENT PROJECTS WERE ANOMALOUS BECAUSE OF THE THEIR GEO POLITICAL MOTIVATIONS TO WHICH THE AID BUREAUCRACY TURNS A BLIND EYE. CUMBERSOME PROCEDURES ARE APPLIED TO THESE PROJECTS AND THEY ARE DOUBLY HARMFUL BECAUSE

THE AREAS IN WHICH THEY OPERATE ARE UNUSUALLY DIFFICULT. A CHALLENGE IN THE DESIGN OF THE BALUCHISTAN PROJECT WAS TO IDENTIFY PROJECT ELEMENTS ONE COULD SAY WITH CONFIDENCE WOULD BENEFIT ANYONE AT ALL IN THE MAKHRAN DIVISION OF BULUCHISTAN, WITHOUT DUPLICATING ONGOING EFFORTS. THE DESIGN FINALLY SETTLED ON ROADS AND WATER AS ESSENTIAL IN A DESERT SETTING. THE SKETCHY REPORTS THAT I AM GETTING FROM THE PROJECT INDICATE THAT THESE WERE THE RIGHT CHOICES. THE INSTITUTIONAL DEVELOPMENT ASPECTS OF THE DESIGN FOCUSSED ON HOW TO MAKE THE PUBLIC WORKS AND IRRIGATION DEPARTMENTS FUNCTION AND HOW TO FOCUS GOVERNMENT OF BULUCHISTAN ATTENTION ON USER FEES TO COVER THE COST OF ROAD MAINTENANCE. THE DESIGNERS RESISTED THE PRESSURES TO FINANCE MULTI-MILLION DOLLARS DAMS, BUT MAYBE THEY SHOULD NOT HAVE. BALAD PROJECT IMPLEMENTATION WAS FRUSTRATED BY A.I.D.' AND FEDERAL ACQUISITION REGULATIONS WHICH AT THE OUTSET DILUTED OR EVEN NEGATED THE POLITICAL PURPOSES OF THE DEVELOPMENT PROJECT. BECAUSE OF THE FAR AND AID/W'S INABILITY TO PROVIDE US A STRONG CONTRACT STAFF EARLY ON, WE WERE EXCRUCIATINGLY SLOW IN FIELDING A TECHNICAL ASSISTANCE TEAM. UNFORTUNATELY THE BEST TEAM WE COULD FIELD WAS THIRD RATE. WE WERE EQUALLY SLOW IN CONTRACTING FOR DESIGN WORK ON THE BELA-ARAWAN ROAD AND ONLY SLIGHTLY

MORE AGILE IN CONTRACTING FOR THE OFFICE AND HOUSING COMPLEX AT TURBAT. AFTER I LEFT PAKISTAN THERE WAS A CONTRACTOR DEFAULT ON THE BELA ARAWAN ROAD WHICH PUTS MATTERS BEHIND SCHEDULE TO AN EMBARRASSING DEGREE. I AM TOLD THAT EXCELLENT WORK HAS BEEN DONE WITHIN THE WATER ELEMENT OF THE PROJECT AND THAT THE WORK ON THE BRIDGE TURBAT IS STARTING. SINCE THE BRIDGE WAS AN AFTER-THOUGHT, THAT IS QUITE SURPRISING. LOOKING BACK, I THINK WE WERE UNWISE TO TRY A DA STYLE PROJECT IN BALUCHISTAN. WE WOULD HAVE MADE BETTER POLITICAL MILEAGE AND HAD MORE DEVELOPMENT IMPACT IF WE HAD TAKEN ON A FEW HIGHLY VISIBLE INFRASTRUCTURE PROJECTS.

THE TRIBAL AREA DEVELOPMENT PROJECT (TADP) WAS EVEN MORE CRIPPLED BECAUSE OF THE EVEN MORE HIGHLY CHARGED AND RESTRICTIVE POLITICAL SITUATION WHICH HAMPERED THE MOVEMENTS OF PROJECT DESIGNERS AND IMPLEMENTERS INTO THE WILD AND WOOLY TRIBAL AREAS. ONE OF THE GREAT DIFFICULTIES WITH BOTH TADP AND BALAD WAS IN FINDING U.S. DIRECT HIRE PROJECT MANAGERS WILLING TO LIVE IN NON FOSTS, I.E , PESHAWAR AND QUETTA, FOSTS THAT ARE NOT HEALTHY OR CAREER ENHANCING. WE FINALLY GOT SOME HEROS WHO CARRIED IT OFF HANDILY BUT WE HAD TO WEED OUT A LOT OF LOOSERS AND AID/W HAD NO CONSCIENCE IN PUTTING THEM IN OUR HANDS.

THE GADOON AREA DEVELOPMENT PROJECT WAS ANAMOLOUS IN THE CONTEXT OF THE 1982 TO 1987 PROGRAM SINCE IT WAS NOT INCLUDED IN THE ORIGINAL LIST OF AGREED PROJECTS AND WAS TOTALLY DEDICATED TO THE ERADICATION OF OFIUM POPPIES IN A SPECIFIC AREA NEAR TARBELLA. AT THE TIME THE PROJECT WAS DESIGNED, IT WAS BELIEVED THAT THE GADOON AREA PRODUCED ABOUT HALF OF THE OPIUM POPPIES PRODUCED WITHIN THE BORDERS OF PAKISTAN. HOWEVER, THE DATA WAS NEVER CONSISTENT OR ACCURATE. THE PROJECT CONTAINED FAIRLY SPECIFIC OUTPUT LEVEL OBJECTIVES AND WAS ACCOMPANIED BY AN AGREEMENT ON THE PART OF THE GOVERNMENT OF THE NWFP TO ERADICATE OPIUM POPPIES ON A SET SCHEDULE OVER THREE YEARS. EVERYTHING ABOUT THE PROJECT WAS RUSHED, INCLUDING THE DESIGN AND THE CONTRACTING AND IT PLACED A SIGNIFICANT MANAGEMENT BURDEN ON THE USAID MISSION, GIVING IT A CENTRAL ROLE IN NARCOTICS SUPPRESSION, EXCLUSIVE OF LAW ENFORCEMENT, OF COURSE. ADDING TO THE BURDEN WAS THE FACT THAT THE PROJECT FACED SIGNIFICANT POLITICAL OPPOSITION AMONG THE BENEFICIARIES THEMSELVES. THIS HAMPERED BOTH DESIGN AND IMPLEMENTATION EFFORTS. NEVERTHELESS, IN THE FIRST YEAR, THE GOVERNMENT WAS SUCCESSFUL IN ITS TARGETED ERADICATION OF POPPIES AND VISIBLE PROGRESS WAS MADE ON THE THE DEVELOPMENT SIDE, THANKS TO A FIRST-RATE CONTRACT TEAM AND PROJECT MANAGER. THEN IN

THE SPRING OF 1986 THERE WAS A SHOWDOWN BETWEEN THE CONSTABULARY AND THE POPULATION IN WHICH THE OPIUM TRADERS LITERALLY SACRIFICED A FEW PEASANTS, SOME PROBABLY FROM OUTSIDE OF THE AREA, TO THE BULLETS OF THE CONSTABULARY, HAVING LURED THE CONSTABULARY INTO ACTION BY BEATING TO DEATH ONE OF THEIR MEMBERS. THE EVENTS FOLLOWING, INCLUDING A ROWE IN THE NATIONAL ASSEMBLY, ARE A MATTER OF RECORD. A CRITICAL POINT LATER WAS A DECISION TO ACTUALLY ADD MORE MONEY TO THE PROJECT INSTEAD OF DEOBLIGATING THE PROJECT IN THE FACE OF THE APPARENT FAILURE TO COMPLY WITH THE ENFORCEMENT AGREEMENT. IN A NUT SHELL, THE DECISION TO ADD MONEY WAS MADE BECAUSE IT WOULD HAVE BEEN ADMITTING DEFEAT AT THE FIRST SET-BACK TO HAVE DEOBLIGATED THE PROJECT AND WALKED AWAY, LEAVING THE OPIUM TRAFFICKERS IN CONTROL OF THIS MAJOR PRODUCTION AREA. ADDING MONEY INCREASED THE STAKES, MAKING THE NWFP LESS WILLING TO SUFFER THE LOSS OF RESOURCES AND MORE DETERMINED TO SEE THE PROJECT THROUGH TO A SUCCESSFUL CONCLUSION. I WAS TOLD RECENTLY THAT IN FACT THE NWFP HAD MADE GOOD ON ITS ENFORCEMENT COMMITMENTS I HOPE SOME OF THE DEVELOPMENT WORK SUCH AS THE ROADS AND SCHOOLS ARE OF LASTING BENEFIT. HOWEVER, THAT IS CLEARLY OF SECONDARY IMPORTANCE.

IN SOME WAYS, THE AREA DEVELOPMENT PROJECTS SHOULD BE CONSIDERED NATION BUILDING PROJECTS BECAUSE THEY SYMBOLIZE THE BENEFITS OF BELONGING TO A LARGER NATIONAL ENTITY EXPRESSED IN CIVIL WORKS AND OTHER TANGIBLES. IN THE PAKISTANI CONTEXT, GIVEN THE POLITICAL NATURE OF THE PROGRAM AS A WHOLE, I BELIEVE THAT WE MIGHT HAVE GAINED MUCH GREATER MILEAGE BY DOING SOME SIGNIFICANT WORK ON INFRASTRUCTURE SUCH AS DAMS, BRIDGES, AND TUNNELS OF SUFFICIENT SIZE AND IMPORTANCE TO BE VERY IMPRESSIVE TO THE LOCAL POPULATION. (WE ARE STILL GETTING KUDOS FOR OUR CONTRIBUTIONS TO TARBELLA AND MANGLA DAMS.) LIKEWISE, I THINK IN THESE KINDS OF SITUATIONS, WE NEED TO BE MORE AGILE IN OUR CONTRACTING AND OUR APPROACHES TO SECURING SERVICES. THE SMALLER WORKS MIGHT BE MORE IMPRESSIVE IF WE COULD DO THEM QUICKLY. BUT IT SEEMS TO ME THAT OUR HANDS ARE TIED TO A GREAT EXTENT BY THE FAR.

D. THE PL-480 PROGRAM IN PAKISTAN FUNCTIONED FAIRLY SMOOTHLY AND WAS HIGHLY APPRECIATED BY THE PAKISTANIS. AS I RECALL, THE PROGRAM PROVIDED ALMOST TWELVE PERCENT OF THE TOTAL EDIBLE OIL CONSUMPTION OF THE COUNTRY AND SERVED AS A SOLID POLICY DIALOGUE PLATFORM FOCUSING ON THE EDIBLE OIL INDUSTRY LIBERALIZATION AND PRIVATIZATION. THE EDIBLE OIL INDUSTRY STUDIES

CONDUCTED IN SUPPORT OF THE PROGRAM WERE EFFECTIVE IN CONVINCING MANY INFLUENTIAL OFFICIALS THAT REFORM WAS NEEDED. SOME SIGNIFICANT STEPS WERE TAKEN BUT THE PROCESS WAS NOT COMPLETED DURING MY TENURE. WE WERE CAREFUL NEVER TO ENTER INTO AN OIL SEEDS PRODUCTION PROMOTION PROJECT BECAUSE OF THE CERTAINTY THAT THE OIL SEED INDUSTRY IN THE UNITED STATES WOULD PROTEST VERY STRONGLY AND THE NEAR CERTAINTY THAT SUCH A PROJECT WOULD FAIL ANYWAY. NEVERTHELESS, WE WERE CERTAIN FROM THE DATA THAT THE U.S. COULD LOOK FORWARD TO INCREASED EXPORTS OF EDIBLE OIL TO PAKISTAN WITHIN AND SOMETIMES OUTSIDE OF THE PL-480, EVEN WHILE IT INCREASED ITS OWN PRODUCTION OF EDIBLE OIL. THE FACT AS I RECALL WAS THAT THE CONSUMPTION WAS INCREASING RAPIDLY AHEAD OF POPULATION INCREASES AND THAT EVENTUALLY PAKISTAN WOULD BE SPENDING AN UNACCEPTABLY HIGH PERCENTAGE OF ITS FOREIGN EARNINGS ON EDIBLE OIL IMPORTS. AGAINST STRONG RESISTANCE, THE PL-480 PROGRAM HELPED ACHIEVE THE FIRST LIBERALIZATION MEASURES - BREAKING THE GOVERNMENT MONOPOLY ON EDIBLE OIL IMPORTS AND CUTTING BACK ON NEW INVESTMENTS IN GOVERNMENT PLANTS. BUT THERE WAS A LONG WAY TO GO BEFORE THE REFORM WOULD BE COMPLETE.

E. CROSS SECTORAL INITIATIVES: I THINK THE MISSION OPERATED ON THE ASSUMPTION THAT THE POLITICAL OBJECTIVES OF THE ASSISTANCE PROGRAM WERE ACCOMPLISHED THROUGH THE 1981 NEGOTIATIONS AND THAT AS LONG AS THE ASSISTANCE PROGRAM PERFORMED ACCEPTABLY, THE POLITICAL ARRANGEMENTS WOULD BE RELIABLE. AS COULD HAVE BEEN EXPECTED. BECAUSE OF THE POLITICAL BASIS OF THE ASSISTANCE ARRANGEMENTS, IT WAS MORE DIFFICULT TO USE THE ASSISTANCE PROGRAM AS LEVERAGE FOR POLICY MOVEMENT. WE WERE, AFTER ALL, COMMITTED TO DELIVER SPECIFIC AMOUNTS OF MONEY ON A DEFINITE SCHEDULE. THE TOTAL PROGRAM CERTAINLY DID NOT LEVERAGE POLICY CHANGE BUT, IRONICALLY, INDIVIDUAL PROGRAMS ON THEIR OWN SEEMED TO GENERATE A POLICY DIALOGUE WHICH ACHIEVED SOME DESIRABLE CHANGES IN THE STRUCTURE OF THE ECONOMY. THE EXTENT TO WHICH THE EDIBLE OIL INDUSTRY IS LIBERALIZED AND PRIVATIZED TODAY, IS ATTRIBUTABLE TO THE FL-480 PROGRAM. LIKEWISE, CHANGES IN THE ENERGY SECTOR ARE LINKED TO THE RURAL ELECTRIFICATION PROGRAM AND THE LAHRA PROJECT.

THE DIALOGUE ON NARCOTICS WAS REMARKABLY EFFECTIVE, GIVEN THE CONDITIONS AT THE OUTSET OF THE PROGRAM. AT THAT TIME PAKISTAN DID NOT HAVE A HIGH LEVEL OF ADDICTION. NARCOTICS CONCERNS WERE NOT RAISED IN THE

1981 NEGOTIATIONS. BUT AS THE PROGRAM BEGAN IT BECAME CLEAR THAT PAKISTAN WAS A MAJOR HEROIN CONDUIT AND THAT CONGRESSIONAL CONCERNS ABOUT THE SITUATION COULD SCUTTLE THE PROGRAM UNLESS THE GOP DID ITS BEST TO COOPERATE IN THE EFFORT TO CHOK OFF PRODUCTION AND TRADE IN NARCOTICS. DONOR LION FIRST PROPOSED THE AREA DEVELOPMENT APPROACH IN MID 1982 AS A WAY AID COULD CONTRIBUTE TO THE EFFORT. INITIALLY THE IDEA WAS IGNORED OR RESISTED (I DON'T KNOW WHICH) BY INM. BUT THE END RESULT OF HIS INITIAL SUGGESTION WAS THE GADDOON PROJECT. THAT PROJECT BECAME THE NWFP AREA DEVELOPMENT PROJECT WHICH INVOLVED SUPPORT FOR UNFDAC. THE DIFFICULTY WAS NOT SO MUCH IN THE IMPLEMENTATION OF SPECIFIC AREA DEVELOPMENT PROJECTS OR EVEN IN THEIR DESIGN, BUT IT WAS IN TRYING TO SHAPE AN ADMINISTRATIVE AND MANAGEMENT STRUCTURE THAT WOULD PUT UNFDAC IN THE DRIVER'S SEAT WITH MULTIPLE DONOR FUNDING RATHER THAN HAVING USAID SEEN AS THE DRIVING FORCE BEHIND ALL OF THESE PROGRAMS. WE KNEW THE PROJECTS WOULD BE ACCOMPANIED BY FORCIBLE ERADICATION OF OPIUM POPPIES IN MANY AREAS AND ACCUSATIONS OF UNDUE USG INFLUENCE WOULD BE RAISED. I STILL HAD HOPES OF ACHIEVING UNFDAC LEADERSHIP OF THE DEVELOPMENT AND NARCOTICS EFFORT WHEN I LEFT, BUT I DO NOT KNOW WHAT ACTUALLY HAPPENED.

MISSION RESPONSIVENESS TO THE FOUR PILLARS WAS BUILT INTO THE PROGRAM THROUGH THE PROJECT DESIGN PROCESS AND WAS INTEGRATED INTO THE ENTIRE OPERATION. WE HAD OUR GREATEST DIFFICULTY IN TRYING TO GENERATE IDEAS ON HOW TO STRUCTURE AN ACTUAL PRIVATE SECTOR PROJECT. IN MY THREE AND A HALF YEARS IN PAKISTAN, WE NEVER SUCCEEDED IN DOING THIS. THE CLOSEST WE CAME TO SUCCESS WAS STUDYING THE CAPITAL MARKETS IN KARACHI AND CONCOCTING A SCHEME TO MOBILIZE PRIVATE SECTOR CAPITAL AND ATTRACT CAPITAL FROM THE PARALLEL MARKETS AND CURE MARKETS BY CREATING A SECONDARY BOND MARKET AND TRADING SYSTEM BETWEEN THE COMMERCIAL BANKS. WHEN WE FINISHED THE FEASIBILITY STUDIES, IT WAS APPARENT THAT THERE WAS A GREAT DEAL OF INTEREST ON THE PART OF THE PRIVATE SECTOR AND THAT WE WOULD NOT NEED TO INVEST OUR OWN MONEY IN THE VENTURE. THAT WAS SHORTLY BEFORE JOHN BLACKTON LEFT FOR THE PHILLIPINES AND ABOUT A YEAR BEFORE I LEFT FOR WASHINGTON. I AM NOT SURE WHAT LESSONS WERE LEARNED BEYOND RECONFIRMATION THAT IF A PARTICULAR VENTURE IS POTENTIALLY PROFITABLE, THEN IT DOES NOT NEED GOVERNMENT HELP. HOWEVER, EVEN THOUGH IT MAY NOT BE FEASIBLE TO MOUNT A REALLY GOOD PRIVATE SECTOR PROJECT IN MOST DEVELOPING COUNTRIES, AID CAN STIMULATE THINKING ABOUT PRIVATE SECTOR POLICIES AND ACTIVITIES THAT WILL HAVE A LONG RANGE BENEFIT.

AS MENTIONED ABOVE, TECHNOLOGY TRANSFER WAS INCLUDED IN ALMOST EVERY PROJECT BUT WAS MOST PROMINENT IN ENERGY AND IRRIGATION. THERE WERE STRONG INSTITUTION BUILDING ELEMENTS IN THESE SECTORS AS WELL, BUT VERY LITTLE INSTITUTIONAL DEVELOPMENT WAS ATTEMPTED OR COULD HAVE BEEN ACCOMPLISHED IN HEALTH, POPULATION AND AREA DEVELOPMENT.

F. MANAGEMENT AND STAFFING REQUIREMENTS: IN MY OPINION, TOO LITTLE ATTENTION WAS PAID TO THESE CONSIDERATIONS AT THE OUTSET. IT SEEMED TO ME THAT NO ONE HAD GIVEN ANY THOUGHT TO THE NUMBER, TYPES, AND QUALITY OF STAFF THAT WOULD BE REQUIRED TO RUN A PROGRAM OF THE MAGNITUDE AND COMPLEXITY CONTEMPLATED DURING THE NEGOTIATIONS. MOVEROVER, NO PRIORITY WAS GIVEN TO PAKISTAN IN TERMS EITHER OF NUMBERS OR OF QUALITY OF STAFF. I CAN THINK OF ONLY FOUR INSTANCES IN WHICH TOP QUALITY PEOPLE WERE HAND-PICKED TO BE ASSIGNED TO PAKISTAN . THE PROGRAM STRUGGLED THROUGH AT LEAST ITS FIRST FOUR YEARS WITHOUT A REALLY EXPERIENCED CONTRACTING AND PROCUREMENT STAFF. WE HAD TO BEG, BORROW AND STEAL IN ORDER TO MEET OUR CONTRACTING NEEDS AND OUR INCAPACITY IN THIS AREA GENERATED MANY OPERATIONAL PROBLEMS. NEXT TO DESIGN

WORK, CONTRACTING WAS THE MOST STAFF INTENSIVE ACTIVITY IN THE MISSION FOR MOST OF THE TIME I WAS THERE. THIS BOTTLENECK WAS ONE OF THE MAJOR CAUSES OF THE PIPELINE BUILD-UP THAT WAS BECOMING QUITE LARGE BY THE TIME I LEFT.

PERHAPS THE DIE WAS CAST BY THE NEGOTIATIONS THAT INDICATED THE PROGRAM WOULD CONSIST MAINLY OF TRADITIONAL PROJECTS AND LEFT BOTH SIDES WITH THE ASSUMPTION THAT CONVENTIONAL AID PRACTICES WOULD BE USED IN THE DESIGN AND IMPLEMENTATION OF THESE PROJECTS. THAT ASSUMPTION MADE IT MORE OR LESS CLEAR WHAT THE DESIGN AND IMPLEMENTATION LOAD WOULD BE BUT NO CONCLUSIONS WERE DRAWN ABOUT WHAT THE SIZE AND COMPOSITION OF THE STAFF WOULD BE. THE RESULT WAS A NIGHTMARE OF ENDLESS WORK. WORK WENT ON THROUGH NIGHTS HOLIDAYS AND WEEKENDS FOR MOST OF THE STAFF MOST OF THE TIME, LEAVING LITERALLY NO TIME TO THINK ABOUT THE BIGGER PICTURE OF HOW WE MIGHT BE DO THINGS DIFFERENTLY. BY THE TIME WE CAME UP FOR AIR AND HAD A LITTLE TIME TO THINK ABOUT HOW WE MIGHT DO THINGS DIFFERENTLY, WE WERE COMMITTED TO A COURSE OF ACTION AND A SET OF PROJECTS THAT WOULD CARRY US INTO THE NEXT DECADE. IT IS SAD TO RELATE THAT WITH THE IMAGE OF EGYPT BEFORE OUR EYES, WE SEEMED COMPELLED TO REPEAT

THE MISTAKE. THE FIRST PART OF THE MISTAKE WAS OF COURSE IN THE NEGOTIATIONS' DESIGNATION OF PROJECTS AS THE MODE OF DELIVERY OF THE EXPECTED ASSISTANCE. THE SECOND WAS PROBABLY IN ASSUMING WE HAD TO ADHERE TO SOMETHING RESEMBLING THAT LIST. IN TRUTH, IT WAS THE TOTAL ANNUAL OBLIGATION THAT MATTERED. I THINK ALSO MANY PEOPLE ASSUMED THAT THE CONGRESS WOULD EXPECT A DEVELOPMENT ASSISTANCE TYPE OF APPROACH TO THE PROBLEM EVEN THOUGH ESF FUNDS WERE INVOLVED. THAT CERTAINLY SEEMS TO HAVE BEEN THE WORKING ASSUMPTION WHEN I ARRIVED IN DECEMBER OF 1982. IT REMAINED SO FOR THE NEXT THREE AND A HALF YEARS.

WITH SOME TIME TO REFLECT, THE 1982 TO 1987 PROGRAM MIGHT HAVE BEEN STRUCTURED ENTIRELY DIFFERENTLY TO DELIVER ECONOMIC ASSISTANCE RAPIDLY AND MORE IMPRESSIVELY SO AS TO DERIVE FROM THE PROGRAM THE POLITICAL MILEAGE ESF PROGRAMS ARE INTENDED TO DELIVER. A PROGRAM STRUCTURED TO MINIMIZE STAFF REQUIREMENTS WOULD ALSO HAVE BEEN MORE APPROPRIATE FOR A SHRINKING AGENCY FOR INTERNATIONAL DEVELOPMENT. WE COULD HAVE HAD, FOR EXAMPLE, AN EXPANDED CIP THAT WOULD HAVE COVERED SEVERAL ELIGIBLE SECTORS AND BEEN RELATED TO POLICY PERFORMANCE OF THOSE SECTORS. THAT IS, THE CIP COMMODITIES IMPORTED UNDER THE PROGRAM WOULD FLOW

TO THE SECTORS SHOWING MOST POLICY REFORM PROGRESS. WE MIGHT HAVE HAD A MULTI-SECTOR TECHNICAL ASSISTANCE PROGRAM PROVIDING THE USAID AND THE GOP A BROAD RANGE OF TECHNICAL SERVICES CUTTING ACROSS SECTORS AND GENERALLY SUPPORTING TECHNOLOGY TRANSFER, PRIVATE SECTOR PROMOTION AND POLICY DIALOGUE. SUCH A TECHNICAL ASSISTANCE PROJECT OR PROGRAM COULD HAVE UNDERTAKEN POLICY STUDIES, FEASIBILITY STUDIES, ENGINEERING DESIGN WORK AND PROCUREMENT IN AN EXTREMELY FLEXIBLE WAY THAT WOULD NOT HAVE TIED THE MISSION IN KNOTS. THE PROGRAM MIGHT HAVE INCLUDED AN INFRASTRUCTURE PROJECT TO UNDERTAKE ECONOMICALLY FEASIBLE AND HIGHLY VISIBLE WORKS SUCH AS POWER PLANTS, DAMS, TUNNELS AND HIGHWAYS MUTUALLY AGREED UPON BY THE TWO GOVERNMENTS AND PERHAPS EVEN RELATED TO POLICY CHANGES SUCH AS THE IMPOSITION OF USER FEES AND WATER CHARGES. A LARGE TRAINING COMPONENT WOULD HAVE ROUNDED OUT MY IDEAL PROGRAM PROVIDING TENS OF MILLIONS OF DOLLARS FOR EDUCATION IN THE UNITED STATES AND FOR RESTRUCTURING OF UNIVERSITIES IN PAKISTAN. SUCH AN APPROACH WOULD HAVE REDUCED THE DESIGN WORKLOAD FROM TWENTY PROJECTS DOWN TO FOUR AND BUILT BLANKET PROJECTS THAT WOULD HAVE MET ALL OF THE IMPORTANT PURPOSES OF THE 1982 TO 1987 PROGRAM, WITH A DIRECT-HIRE STAFF OF 20-25 PEOPLE AND FAR FEWER FSN'S THAN WE HAD. I THINK IT WAS A MISTAKE TO DENY

OURSELVES THE FLEXIBILITY OF ESF WHEN WE HAD EVERY OPPORTUNITY TO USE OUR IMAGINATION AND STRUCTURE A HIGHLY FLEXIBLE, HIGH-IMPACT PROGRAM.

G. PLANNING FOR THE POST-1987 PROGRAM: WAS HAMPERED TO SOME EXTENT BY THE RECORD LAID DOWN BY THE 1982 TO 1987 PROGRAM, INsofar AS WE HAD MORTGAGES TO PAY OFF AND PROGRAMS THAT WERE INTENDED TO RUN BEYOND 1987, COMMITMENTS IN BULUCHISTAN AND THE NWFF NOT TO MENTION LAKHRA. ALTHOUGH I LEFT BEFORE THE PROCESS WAS COMPLETE, I THINK WE WERE ABLE TO TAKE A MORE ORDERLY LOOK AT PROGRAMMING SOME OF US WERE ADVOCATING THE FUNDING OF LARGE TICKET ITEM INFRASTRUCTURE SUCH AS THE LOWARI TUNNEL AND THE MARANI DAM AS WELL AS AN EXPANDED CIP. I THOUGHT WE COULD ALWAYS RESERVE THE OPTION OF RETURNING TO SLOW-DISBURSING PROJECT ASSISTANCE IF POLICY PERFORMANCE WAS NOT ADEQUATE. OF COURSE SUCH AN APPROACH OBVIOUSLY SMACKS OF THE "THIS HURTS ME MORE THAN IT HURTS YOU" SYNDROME BECAUSE PROJECTS SIMPLY REQUIRE MORE AID AND CONTRACT STAFF AND IT IS OFTEN THE CASE THAT AID'S IMAGE SUFFERS MORE FROM A LARGE PIPELINE THAN THE RECIPIENT GOVERNMENT'S IMAGE DOES.

EVEN IF AFTER 1992 IF THE PAKISTAN PROGRAM IS DRAWN DOWN TO A MUCH MORE MANAGEABLE LEVEL OF SAY DOLLARS 50 CP
50

32.

MILLION OR EVEN DOLS 30 OR 40 MILLION. IT WOULD BE
USEFUL TO THINK IN TERMS OF LUMPING ASSISTANCE TO
PAKISTAN UNDER GENERIC CATEGORIES OF TECHNICAL
ASSISTANCE, INFPASTRUCTURE, CIP, AND TRAINING.
RESOURCES CAN BE USED EFFECTIVELY IN SUCH A PROGRAM AND
DIRECT-HIRE STAFF REQUIFEMENTS WOULD BE CONSIDERAPLY
REDUCED. ~~NO NEED FOR~~